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THE NEW START CENTER

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

THE NEW START CENTER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The New Start Center
St. Martinville, Louisiana

We have audited the accompanying statement of financial position of The New Start Center (a non-profit organization) as of June 30, 2007 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Au audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Start Center as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued a report dated December 19, 2007, on our consideration of the New Start Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Kolder, Champagne, Slaven & Company, LLC
A Corporation of Certified Public Accountants

Franklin, Louisiana
December 19, 2007

THE NEW START CENTER
STATEMENT OF FINANCIAL POSITION
June 30, 2007

ASSETS

CURRENT ASSETS	
Cash	$ 105,875
Due from other agencies	29,319
Total current assets	135,194
FIXED ASSETS	
Property and equipment, net	11,662
OTHER ASSETS	
Security deposit	550
Total assets	$ 147,406

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accrued liabilities	$ 6,347
Income taxes payable	-
Note payable	-
Total current liabilities	6,347
NET ASSETS	
Unrestricted	141,059
Total liabilities and net assets	$ 147,406

The accompanying notes are an integral part of these financial statements.

THE NEW START CENTER
STATEMENT OF ACTIVITIES
Year ended June 30, 2007

REVENUES, GAINS AND OTHER SUPPORT	
Grant revenues	$ 235,899
Contributions	70,921
Fundraising events	235,153
Other revenues	897
Interest revenue	504
Total revenues, gains and other support	543,374
EXPENSES AND LOSSES	
Program expenses	192,063
General and administrative expenses	53,956
Fundraising expenses	225,429
Total expenses	471,448
Change in net assets	71,926
Net assets, beginning of year	69,133
Net assets, end of year	$ 141,059

The accompanying notes are an integral part of these financial statements.

THE NEW START CENTER
STATEMENT OF CASH FLOWS
Year ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 71,926
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	3,299
Increase in due from other agencies	(14,564)
Increase in accrued liabilities	3,029
Decrease in taxes payable	(3,255)
Net cash provided by operating activities	60,435
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for equipment purchases and leasehold improvements	(3,071)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of notes payable	-
Net increase in cash	57,364
CASH, beginning of year	48,511
CASH, end of year	$ 105,875

The accompanying notes are an integral part of these financial statements.

Note 1: Nature of Organization and Significant Accounting Policies

Nature of organization:

The New Start Center is a non-profit organization that provides a wide range of services to victims of domestic violence. Its core service is providing shelter and support for victims and children. In addition, a 24-hour crisis line, individual assessment, and case management are provided. The New Start Center is also actively involved with community education including law enforcement training and support groups. The New Start Center coordinates domestic abuse intervention through the court system and provides mandated education for abusers.

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

Significant accounting policies:

Support and expenses:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions. The Organization relies heavily on grants (government and other) and general public donations to support its operations.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Allowance for doubtful accounts:

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and equipment:

Purchased property and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with grant funds are recorded as temporarily restricted contributions. In the absence of donor stipulations regarding how long the assets must be used, that organization has adopted a policy of implying a time restriction that expires over the useful life of the assets.

Depreciation is computed by the straight-line method based on the following estimated lives:

	Years
Buildings and improvements	27 ½
Furniture and equipment	5 – 7

Donated services:

The New Start Center receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under SFAS No. 116 have not been satisfied.

Cash and cash equivalents:

For the purposes of the statement of cash flows, The New Start Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Advertising:

Advertising costs are expensed as incurred. Advertising expense was $0 in 2007.

Note 2: Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3: Due from Other Agencies

Due from other agencies consisted of the following at June 30, 2007:

State of Louisiana	
OWP grants	$ 9,174
VAWA grants	11,983
CVA grant	3,806
Emergency Shelter grant	3,750
USDA Nutrition grant	606
	$ 29,319

Note 6: Summary of Grants/Contracts Funding

New Start Center was funded through the following grants and contracts for the year ended June 30, 2007:

Funding Source	Award Number	Recognized Support
State of Louisiana		
Office of Women's Services	CFMS #628675	$ 89,331
Louisiana Commission on Law Enforcement		
Domestic Violence Program	C04-4-011	2,500
Domestic Violence Program	C05-4-011	10,000
Domestic Violence Program	M04-8-017	5,765
Domestic Violence Program	M05-8-014	13,465
Office of Homeland Security		
Emergency Food and Shelter Program	CFDA 97.024	7,022
United States Department of Agriculture		
Nutrition Grant		4,872
St. Martin Parish Government		
Emergency Shelter Grant Program	CFDA 14.231	13,440
Louisiana Bar Association		
IOLTA Grant Program	2005-0030	2,640
IOLTA Grant Program	2006-0030	4,066
		$ 153,101

Note 7: Note Payable

At times during the year ended June 30, 2007, the New Start Center had loans payable to a bank from draws on line of credit agreements. The loans had varying interest rates of 6 to 9 percent per annum. At June 30, 2007, loans payable was $0.

Note 8: Contingent Liabilities

The New Start Center receives grants for specific purposes that are subject to review and audit by the agency providing the funding. Such reviews and audit could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

Note 6: Summary of Grants/Contracts Funding

New Start Center was funded through the following grants and contracts for the year ended June 30, 2007:

Funding Source	Award Number	Recognized Support
State of Louisiana		
Office of Women's Policy	CFMS #655071	$ 102,877
Office of Women's Policy - TANF	CFMS #655071	45,000
Louisiana Commission on Law Enforcement		
Domestic Violence Program	C06-4-011	11,418
Domestic Violence Program	M05-8-014	2,694
Domestic Violence Program	M06-8-014	13,257
VAWA - Hurricane Katrina Assistance	M61-8-018	21,354
Office of Homeland Security		
Emergency Food and Shelter Program	CFDA 97.024	7,945
United States Department of Agriculture		
Nutrition Grant	CFDA 10.558	4,213
St. Martin Parish Government		
Emergency Shelter Grant Program	CFMS #624059	19,090
Louisiana Bar Association		
IOLTA Grant Program	2005-030	3,551
IOLTA Grant Program	2006-030	4,500
		$ 235,899

Note 7: Note Payable

At times during the year ended June 30, 2007, the New Start Center had loans payable to a bank from draws on line of credit agreements. The loans had varying interest rates of 6 to 9 percent per annum. At June 30, 2007, loans payable was $0.

Note 8: Contingent Liabilities

The New Start Center receives grants for specific purposes that are subject to review and audit by the agency providing the funding. Such reviews and audit could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

Note 9: Contingency – Undeposited Funds

On March 22, 2007, the New Start Center reported a potential misappropriation of bingo funds to the Legislative Auditor's Office and to the Charitable Gaming Division of the Louisiana Department of Revenue. A preliminary investigation identified approximately $3,090 of bingo funds that cannot be accounted for. As a result of the investigation an employee was terminated. Additional unaccounted receipts which may have remained undiscovered during the investigation are not considered material by the management of the New Start Center.

Note 10: Subsequent Event

In December 2007, the New Start Center terminated its sponsorship of charitable bingo gaming sessions.

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL AND COMPLIANCE
REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
The New Start Center
St. Martinville, Louisiana

We have audited the financial statements of the New Start Center (a non-profit organization) as of and for the year ended June 30, 2007, and have issued our report thereon dated December 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

<u>Internal Control Over Financial Reporting</u>

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We consider the deficiency described as item 2007-1 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances on noncompliance that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of management, others within the Organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Franklin, Louisiana
December 19, 2007

THE NEW START CENTER

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007

There were no findings noted for the year ended June 30, 2006.

THE NEW START CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on the financial statements of the New Start Center as of and for the year ended June 30, 2007.

Reportable Conditions – Financial Statements

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements.

Material Noncompliance – Financial Reporting

No material instances of noncompliance were noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2007.

Part 2: Findings Related to an Audit in Accordance with *Government Auditing Standards*

2007-1 Inadequate Segregation of Duties

Finding: The Organization does not have adequate segregation of duties within its accounting and financial functions.

Cause: Due to limited personnel performing administrative functions, the same person prepares checks, reconciles bank statements, enters information into the general ledger and prepares journal entries and posts to the general ledger.

Recommendation: The Organization's board is aware of this inadequacy and has concluded that the cost of hiring additional personnel to achieve complete segregation of duties would exceed its benefits. No additional response is deemed necessary.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2007, the New Start Center did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

THE NEW START CENTER

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2007

No additional management response is deemed necessary to respond to finding 2007-1.